REMARKS

1. Applicant thanks the Examiner for the Examiner's comments, which have greatly assisted Applicant in responding.

2. **35 U.S.C. §103(a).**

(a) Claims 1-2, 7, 15, and 19 stand rejected under 35 U.S.C. §103(a) as being unpatentable over (Holloway) U.S. 5,253,164 in view of Pendleton and further in view of Hogden and U.S. Patent No. 6,223,164 ("Seare"). Applicant respectfully disagrees; nevertheless, Applicant has amended the independent claims as described below.

The present amendments are made for the sole purpose of characterizing the invention with greater clarity, with the goal of advancing prosecution of the Application, and they are not to be taken as Applicant's concession to the Examiner's position. Applicant expressly reserves the right to pursue patent protection of the scope that Applicant reasonably believes it is entitled to in one or more continuing Applications.

Applicant believes that the current rejection is improper because the Examiner has still failed to establish a *prima facie* case of obviousness. Applicant maintains its position that the Examiner has used impermissible hindsight constructions in rejecting the claims under 35 U.S.C. § 103(a). Furthermore, the current Advisory Action is non-responsive to the points raised in the response of October 11, 2005. The Examiner is respectfully reminded that the goal of examination is to clearly articulate any rejection early in the prosecution process so that the applicant has the opportunity to provide evidence of patentability and otherwise reply completely at the earliest opportunity. MPEP § 706. In the October 11 response, Applicant reiterated its position that the Examiner's findings are guided by impermissible hindsight. Applicant cited a Federal Circuit case, *Monarch Knitting Machinery v. Sulzer Morat*, carefully illustrating how the facts and holding in that case apply in the present Application. Rather than directly addressing Applicant's rebuttal of his previously stated position, the Examiner's response was to synopsize a series of legal precedent that, although related to the

doctrine of obviousness, did not constitute a rebuttal of Applicant's position. Thus, the Advisory Action is non-responsive, failing to comply with the guidance of MPEP § 706.

Even if the Examiner's collection of legal precedent had been more on point, it provides no support for the Examiner's position because the Examiner treated the holdings of the cited cases as *per se* rules of obviousness. However, reliance on *per se* rules of obviousness is legally incorrect. *Ex parte Grunneman*, 68 USPQ219, 1220-21 (BPAI 2003) quoting *In re Ochiai*, 71 F.3d 1565, 1572 (Fed. Cir. 1995). In *Grunneman*, the Examiner had cited a legal conclusion in a case, and had supplied it as a rationale in support of a finding of obviousness. Because he had failed to compare the facts in the case he had cited with the case at hand and explain why the legal conclusion of the cited case should apply in the case at hand, the Board found that the Examiner had acted improperly. Just as in *Grunneman*, the Examiner, citing an exhaustive series of precedents, has failed to analogize the facts of those cases to the current Application and explain why the legal conclusions of those cases should apply here. Not only has the Examiner failed to explain how the cases are relevant to the current Application, he has failed to explain what the precedents have to do with each other. Accordingly, the Examiner still fails to establish a *prima facie* case of obvlousness, even in view of his lengthy catalog of the legal precedent regarding obviousness determinations.

Applicant has amended claim 1 to describe;

"calculating a probability of the sequence of healthcare states based on previously calculated probabilities of individual transitions between healthcare states as contained in a model derived from the collection of healthcare data, and based on aggregated sequence probability information from previously processed individual sequence probabilities . . . ."

Support for the amendment is found in paragraph 0017 of the application-as-filed. No new matter has been added by way of the amendment. The remaining independent claims have been similarly amended.

Hogden describes a method of calculating a probability of the sequence of healthcare states based. Hogden's method, however, uses a time-series analysis technique "called maximum likelihood 'continuity mapping." (Abstract, lines 1-2). In fact, Hogden, explicitly teaches away from the invention: "While it is theoretically possible to calculate the probabilities of all N-procedure sequences, the number of probabilities that have to be estimated increase as S^N, where S is the number of distinct symbols (parenthetical expression omitted). Therefore, as a practical matter, it is usually impossible to obtain enough data to accurately estimate all the necessary parameters." (page 2, ¶4). There is no teaching or suggestion of "calculating a probability of the sequence of healthcare states based on previously calculated probabilities of individual transitions between healthcare states as contained in a model derived from the collection of healthcare data, and based on aggregated sequence probability information from previously processed individual sequence probabilities . . . " in the remainder of the combination. Accordingly, claims 1, 3, 8-9 and 15 are deemed to describe subject matter patentably distinct from the combination. As such, the rejection under 35, U.S.C. § 103(a) is deemed to be overcome. In view of their dependency from allowable claims, the dependent claims are deemed to be allowable without any separate consideration of their merits.

CONCLUSION

Based on the foregoing, Applicant considers the present invention to be distinguished from the art of record. Accordingly, Applicant earnestly solicits the Examiner's withdrawal of the rejections raised in the above referenced Office Action, such that a Notice of Allowance is forwarded to Applicant, and the present application is therefore allowed to issue as a United States patent. The Examiner is invited to call 650-474-8400 to discuss the response. The Commissioner is hereby authorized to charge any additional fees due or credit any overpayment to Deposit Account No. 07-1445.

Respectfully Submitted,

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